

INDEPENDENT AUDITOR'S REPORT

To the Members of Isgec Engineering and Projects Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Isgec Engineering and Projects Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of the such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the company for the year ended 31st March, 2019.



K.C. MALHOTRA & CO.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K.C. Malhotra & Co.
Chartered Accountants
(Firm Regn.No.000057N)


(Ramesh Malhotra)

Partner

Membership Number: 013624

Place of Signature: New Delhi

Date: 16th.May,2019



Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Isgec Engineering and Projects Limited of even date)

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.
- b) The management has certified that it has conducted a physical verification of the fixed asset during the year, and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the allotment letter and possession letter of Villa No.17B in the "Woodside" residential villa development project, Tehsil Kasauli, Distt. Solan, Himachal Pradesh is in the name of the company. However, the title deed of this immovable property is not registered in the name of the company.
- ii) The Company's business does not involve inventories and accordingly the requirements paragraph 4(ii) of the Order are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to, companies, Limited Liability Partnership, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees, and security in terms of Section 185 and 186 of the Companies Act, 2013. Hence, reporting under clause 3(iv) of the order is not applicable to the company.
- v) The Company has not accepted any deposits during the year and therefore, the provisions of the clause 3(v) of the order are not applicable to the company.
- vi) The maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax and goods and service tax are not applicable to the company.
 - b) There were no undisputed amounts payable in respect of income- tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, duty of custom, duty of excise, value added tax and goods and service tax are not applicable to the company.
 - c) There are no dues of income tax, sales tax, service tax, excise duty and value added tax which have not been deposited on account of any dispute. The provisions relating to provident fund, Employees state insurance, customs duty, duty of excise, value added tax and goods and service tax are not applicable to the company.



- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has issued any debentures. Hence reporting under clause 3 (viii) of the order is not applicable to the company
- ix) The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) or term loans during the year and hence, reporting under clause (ix) of the order is not applicable to the Company,
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company. Therefore, the requirements under paragraph 3(xi) of the Order are not applicable to the company.
- xii) In our opinion, the Company is not a nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company..
- xiii) According to the information and explanations given to us, the company is in compliance with Section 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone IND As financial statements as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the Company..
- xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under clause 3(xiv) of the Order is not applicable .
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

For K.C.Malhotra & Co.
Chartered Accountants
(Firm Regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No.013624
Place of Signature: New Delhi
Date: 16th.May,2019



**K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS**

**R-79, GREATER KAILASH-I,
NEW DELHI- 110 048 (INDIA)
Phone: + 91-11-41608133, 2641833
E.mail: rcm_kcmalhotra@yahoo.co.in**

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Isgec Engineering and Projects Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Isgec Engineering and Projects limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2019.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



K.C. MALHOTRA & CO.

purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.C.Malhotra & Co
Chartered Accountants
(Firm Regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No: 013624
Place of signature: New Delhi
Date: 16th.May,2019



Isgec Engineering and projects Limited
CIN: U29248HR2007PLC036695
Balance Sheet as at 31st.March,2019

(IN INR)

	Note No.	31st.March, 2019	31stMarch, 2018
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3	3,37,70,263	3,43,58,697
(b) Financial assets			
(i)Investments			
(ii)Trade receivables			
(iii)Loans			
(iv)Others			
(c) Deferred tax assets (net)	4	33,684	54,546
(d) Other non - current assets			
Total non-current assets		3,38,03,947	3,44,13,243
Current assets			
(a) Inventories			
(b) Financial assets			
(i)Investments			
(ii)Trade receivables			
(iii)Cash and cash equivalents	5	59,89,076	55,73,671
(iv)Loans			
(v) Others (to be specified)	6	2,31,680	2,25,703
(c) Current tax assets (net)	7	97,417	13,891
(d) Other current assets			
Total current assets		63,18,173	58,13,265
Total assets		4,01,22,120	4,02,26,508
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8(a)	4,00,00,000	4,00,00,000
(b) Other equity	8(b)	84,520	2,02,908
Total equity		4,00,84,520	4,02,02,908
LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i)Borrowings			
(ii)Trade payables			
(iii)Other financial liabilities			
(b) Provisions			
(c) Deferred tax liabilities (net)			
(d) Other non - current liabilities			
Total non-current liabilities			
Current liabilities			
(a) Financial liabilities			
(i)Borrowings			
(ii)Trade payables			
ii(a) Total outstanding dues to micro enterprises and small enterprises			
(ii)(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	9	23,600	23,600
(iii)Other financial liabilities	10	14,000	-
(b) Other current liabilities			
(c) Provisions			
(d) Current tax liabilities (net)			
Total current liabilities		37,600	23,600
Total equity and liabilities		4,01,22,120	4,02,26,508

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For K.C.Malhotra & Co.
Chartered Accountants
(Firm Regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No.013624
Place: Nojda
Date: 16/05/2019



For and on behalf of the Board of directors

(S.K.Khorana)
Director
DIN:00085300

(Aditya Puri)
Director
DIN:00052534

Isgec Engineering and projects Limited

CIN: U29248HR2007PLC036695

Statement of profit and loss for the year ended 31st.March,2019

(IN INR)

Income	Note No.	31st.March,2019	31st.March,2018
Revenue from contracts with customers Other Income	11	11,99,567	12,10,653
Total income		11,99,567	12,10,653
Expenses			
Employee benefit expense	12	1,68,000	-
Other expenses	13	4,85,129	29,274
Depreciation	3	5,88,434	6,18,557
Total expenses		12,41,563	6,47,831
Profit/ (loss) before tax		(41,996)	5,62,822
Income tax expense			
(a)Current tax	14	55,530	2,17,939
(b)Deferred tax .	14	20,862	20,661
Profit / (loss) for the year		(1,18,388)	3,24,222
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		(1,18,388)	3,24,222
Earnings per equity share Basic & Diluted	15	(0.030)	0.081

The accompanying notes form an integral part to the financial statements

In terms of our report of even date

For **K.C.Malhotra & Co.**

Chartered Accountants

(Firm Registration No. - 000057N)

(Ramesh Malhotra)

Partner

Membership no. - 013624

Place: New Delhi

Date: 16/05/2019



For and on behalf of the Board of directors

(Handwritten signature)

(S.K.Khorana)

Director

DIN:00085300

(Handwritten initials)

(Handwritten signature)

(Aditya Puri)

Director

DIN: 00052534

Isgec Engineering and projects Limited
CIN: U29248HR2007PLC036695
Cash flow statement for the year ended 31st.March,2019

(IN INR)

Particulars	Note No.	31st.March,2019	31st.March,2018
Cash flow from operating activities			
Profit before tax		(41,996)	5,62,822
Adjustments for:			
Interest Income	11	(3,35,567)	(3,46,653)
Depreciation	3	5,88,434	6,18,557
Operating profit/(loss) before working capital changes		2,10,871	8,34,726
Adjustment for Changes in working Capital			
(Increase)/Decrease in other financial assets	6	(5,977)	6,947
Increase/(Decrease) in Other current liabilities	10	14,000	600
Cash generated from Operations		2,18,894	8,42,273
Direct Taxes Paid		(1,39,056)	(2,36,321)
Net Cash Flow from Operating Activities		79,838	6,05,952
Cash flow from Investing activities			
Interest Received	11	3,35,567	3,46,653
Net Cash used in Investing Activities		3,35,567	3,46,653
Cash flow from financing activities			
Net Cash used in financing activities		-	-
Net increase (decrease) in cash and cash equivalents		4,15,405	9,52,605
Cash and Cash equivalents at beginning of the year	5	55,73,671	46,21,066
Cash and Cash equivalents at the end of the year	5	59,89,076	55,73,671

Notes :

- The above cash flow statement has been prepared under the Indirect Method set out in Indian Accounting Standard (IND AS) 7.
- Reconciliation of liabilities arising from financing activities:

Particulars	Short-term borrowing
Opening balance as on 1st.April,2018	-
Non-cash changed due to:	
-Interest expense	-
-Others	-
Cash flows during the year	-
Closing balance as on 31st.March,2019	-

- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosure.

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For K.C.Malhotra & Co.

Chartered Accountants
(Firm Regn.No.000057N)

(Ramesh Malhotra)
Partner
Membership No.013624
Place: Nojda
Date: 16/05/2019



For and on behalf of the Board of directors

(S.K. Khorana)
Director
DIN: 00085300

(Aditya Puri)
Director
DIN: 00052534

Isgec Engineering and projects Limited
Notes to the financial statements for the year ended 31st.March,2019

Statement of changes in equity

A : Equity share capital

(IN INR)

As at 1st.April,2017	4,00,00,000	4,00,00,000
Changes in equity share capital	-	-
As at 31st.March,2018	4,00,00,000	4,00,00,000
Changes in equity share capital	-	-
As at 31st.march,2019	4,00,00,000	4,00,00,000

B: Other equity

(IN INR)

Particulars	Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance as at 1st.April,2018			-	(1,21,314)	(1,21,314)
Profit/ (loss) for the year		-	-	3,24,222	3,24,222
Other comprehensive income		-	-	-	-
Total comprehensive income				2,02,908	2,02,908
Balance as at 31St.March,2018		-	-	2,02,908	2,02,908
Balance as at 1st.April,2018		-	-	2,02,908	2,02,908
Profit/ (loss) for the year		-	-	(1,18,388)	(1,18,388)
Other comprehensive income		-	-	-	-
Total comprehensive income				84,520	84,520
Balance as at 31st.March,2019				84,520	84,520

The accompanying notes form an integral part to the financial statements

In terms of our report of even date

For K. C. Malhotra & Co.

Chartered Accountants
(Firm Regn. No. 000057N)

(Ramesh Malhotra)
Partner
Membership No. - 013624
Place: New Delhi
Date: 16/05/2019



For and on behalf of the Board of directors

(S.K.Khorana)
Director
DIN:00085300

(Aditya Puri)
Director
DIN:0052534

Isgec Engineering and Projects Limited

Note 1 :Corporate information

The company is a limited company domiciled in India with its registered office at Isgec Building, Radaur Saharanpur Road, Yamunanagar, Haryana-135001 and is incorporated under the provisions of the Companies Act, 2013 as applicable in India for carrying on export project business but no commercial operations has been carried on since then except rental income on property purchased subsequently. The company is the wholly owned subsidiary company of Isgec Heavy Engineering Limited holding the entire share capital alongwith its nominees.

Note 2 : Summary of Significant Accounting Policies

(a) Basis of preparation and Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below (as applicable). The financial statements were authorised for issue by the company's Board of Directors on 16th. May, 2019.

(b) Accounting estimates ,assumptions and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, Uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period. The area involving critical estimate or judgment is recognition of deferred tax assets for carried forward losses, impairment of trade receivables and estimation of tax expense.

(c) Current versus Non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is treated as current when it is:

- *Expected to be realised in normal operating cycle,
- *Held primarily for the purpose of the trading,
- *Expected to be realised within twelve months after the reporting period, or
- *Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- *It is expected to be settled in normal operating cycle,
- *It is held primarily for the purpose of the trading,
- *It is due to be settled within twelve months after the reporting period, or



Isgec Engineering and Projects Limited
Significant accounting policies contd.

*There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposit with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) -7 "Statement of Cash flows using the indirect method for operating activities.

(e) Provisions, Contingent Liability and Contingent Assets

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when a possible obligation from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or uncertain events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of obligation be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity.

Contingent liabilities and contingent asset are not recognised but are disclosed in notes.

(f) Taxes

Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current income tax is charged at the end of reporting year to statement of profit and loss.

Deferred tax

Deferred income tax is provided using the balance sheet approach, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable profit will be available to utilize those temporary differences and the carry forward of unused tax credits and unused tax losses.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Such deferred tax assets and liabilities are not recognised if the



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temporary differences arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax current tax assets against current tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In assessing the reliability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, tax-planning strategies in making the assessment. Based on the level of historical taxable income and projections for future taxable over the periods in which the deferred income tax assets are deductible, the Management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near future if estimates of future taxable income during the carry forward are reduced.

(g) Revenue recognition

Revenue from contracts with customers

The Ministry of Corporate Affairs ("MCA") has notified the IND AS 115, Revenue from Contract with Customers on 28th March, 2018, and the effective date is from accounting periods beginning on or after 1st April, 2018.

In accordance with new accounting standard, revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The application of new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the bases used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains certain disclosures which involves accuracy of recognition presentation and disclosure of revenues and other related balances and collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

The new revenue accounting standard is not applicable to the company as the company has not been carrying on any commercial activities thus, there are no sales and therefore no disclosures are to be provided on account of new revenue accounting standard other than those provided in the financial statements.

Interest income

Interest income is accounted on a time proportion basis taking into account outstanding and the effective interest rate (EIR). Effective rate of interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(h) Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the Weighted average number of Equity shares outstanding during the year.



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(i) Borrowing costs

Borrowing costs consists of interest and other costs, and are expensed in the period in which they are incurred.

(j) Financial instruments

(i) Measurement

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

***Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit and loss when the asset is derecognized or impaired these. Interest income from these financial assets is included in finance income using the effective interest rate method.

***Fair value through other comprehensive income(FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate.

***Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gain/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(ii) Impairment of financial assets

In accordance with IND-AS 109, the company applies expected credit loss (ECL) mode for measurement and recognition of impairment loss on financial assets and credit risk exposures.

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables and bank balance. Financial assets that are debt instruments and are measured as at FVTOCI

The company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its recognition.

(iii) Derecognition

Financial assets

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients when the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.



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Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(l) Trade payables

The amount represents liabilities for services provided to the company prior to the end of the period which are unpaid. The amounts are unsecured non-interest bearings and are usually paid within 60 days of recognition. They are recognized at amortised cost, and the carrying amounts are reasonable approximation of fair value.

(m) Property, plant and equipment and depreciation

The company do not have any other property, plant and equipment except freehold land, and building which is stated at historical cost less accumulated depreciation and impairment losses, if any on building.

Cost includes its purchase price (net of CENVAT / duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criterion is met. Subsequent costs is capitalized only when it is probable that economic benefits associated with these will flow to the company and the costs of the item can be measured reliably.

Depreciation has been provided on building in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method.

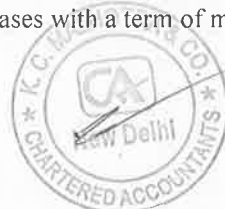
(n) Recent Accounting Developments

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified amendments on 30th. March, 2019 to certain Ind ASs, but not yet effective, upto the date of issuance of company's financial statements are detailed below. These amendments are now effective from financial years beginning on or after April 1, 2019.

A) New Standard IND AS 116 Leases:

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless



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the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

-Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's rate at the date of initial application OR

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company will adopt this standard, if applicable, when this will become effective

B) Amendments to other IND As

i) IND AS 12, Appendix C, Uncertainty over Income tax Treatments :

Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is evaluating the requirements of the amendment and its impact, if any, on the financial statements.

(ii) Ind AS 12 – Income taxes:

The amendment to the guidance in Ind AS 12, 'Income Taxes', is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally



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recognised those past transactions or events. The company does not have any impact on account of this amendment.

iii) Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The company does not have any impact on account of this amendment.

iv) IND AS 109 Financial Instruments

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than The unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.



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Notes to the financial statements for the year ended 31st.March,2019

Note 3: Property, plant and equipment

Particulars	Land (Free Hold)	Building	Total
Year ended 31st.March,2018			
Gross carrying amount			
As at 1st.April ,2017	2,22,75,871	1,38,64,000	3,61,39,871
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying value	2,22,75,871	1,38,64,000	3,61,39,871
Accumulated depreciation	-	11,62,617	11,62,617
Depreciation charge during the year	-	6,18,557	6,18,557
Disposals	-	-	-
Closing accumulated depreciation	-	17,81,174	17,81,174
Net carrying amount	2,22,75,871	1,20,82,826	3,43,58,697
Year ended 31st.March,2019			
Opening Gross carrying amount	2,22,75,871	1,38,64,000	3,61,39,871
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying value	2,22,75,871	1,38,64,000	3,61,39,871
Accumulated depreciation			
Opening accumulated depreciation	-	17,81,174	17,81,174
Depreciation charge during the year	-	5,88,434	5,88,434
Disposals	-	-	-
Closing accumulated depreciation	-	23,69,608	23,69,608
Net carrying amount	2,22,75,871	1,14,94,392	3,37,70,263

Note (i) Disclosure under IND AS 16

There is no item of property, plant and equipment which has retired from active use and has not been classified as held for sale in accordance with IND AS 105



Isgec Engineering and projects Limited

Notes to the financial statements for the year ended 31st.March,2019

Note 4: Deferred tax assets /(liabilities) (net)

The balance comprises temporary differences attributable to :

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Deferred tax assets		
Tax losses		
Preliminary expenses	33,684	54,546
Total deferred tax asset	33,684	54,546
Deferred tax liabilities		
Net deferred tax assets / (liabilities)	33,684	54,546

Movements in deferred tax assets/ (Liabilities)

	(IN INR)		
	Tax losses	Preliminary expenses	Total
At 1st.April,2018		54,546	54,546
(charged) / credited			
-to profit and loss		(20,862)	(20,862)
As at 31st.March,2019		33,684	33,684

Note 5 : Current financial assets -Cash and cash equivalents

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Balances with banks		
-In current account	1,62,498	2,80,730
Bank fixed deposit with maturity		
-within one year	58,26,578	52,92,941
Total Current financial assets -cash and cash equivalents	59,89,076	55,73,671

Note 6 :Current financial assets -others

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Interest accrued but not due on deposits	2,31,680	2,25,703
Total current financial assets -others	2,31,680	2,25,703

Note 7 :Current tax assets /(liabilities) (net)

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Prepaid Income Taxes	1,51,237	2,30,691
Less: Provisions for income- tax	53,820	2,16,800
Current tax assets/(liabilities) (net)	97,417	13,891



Isgec Engineering and projects Limited

Notes to the financial statements for the year ended 31st.March,2019

Note 8 (a) : Equity share capital

(IN INR)

Particulars	31st.March,2019		31st.March,2018	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital Equity shares of 10/- each with voting rights	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued,subscribed and paid up Equity shares of Rs.10/-each fully paid up with voting rights	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Total Equity share capital	40,00,000	4,00,00,000	40,00,000	4,00,00,000

(i) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each share holder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity shareholders.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

(IN INR)

Particulars	31st.March,2019		31st.March,2018	
	No.of shares	Amount	No.of shares	Amount
Equity shares				
At the commencement of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Add: issued during the year				
At the end of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000

(iii) Equity Shares of the company held by the holding company

Particulars	31st.March,2019	31st.March,2018
Isgec Heavy Engineering Limited *	40,00,000	40,00,000

(iv) Detail of equity shares held by shareholders holding more than 5% shares of total number of equity shares

Particulars	31st.March,2019		31st.March,2018	
	No.of shares	% of holding	No.of shares	% of holding
Equity shares with voting rights				
Isgec Heavy Engineering Limited *	40,00,000	100	40,00,000	100

* Out of 4,000,000 equity shares held by Isgec Heavy Engineering Limited 6 equity shares are held by 6 individuals holding 1 share each as nominee of Isgec Heavy Engineering Limited



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Notes to the financial statements for the year ended 31st.March,2019

Note 8(b) :Other equity

Particulars	31st.March,2019	31st.March,2018
Retained earnings (i)	84,520	2,02,908
Total other equity	84,520	2,02,908

(i) Retained earnings

	31st.March,2019	31st.March,2018
Opening balance	2,02,908	(1,21,314)
Profit/ (loss) for the year	(1,18,388)	3,24,222
Closing balance	84,520	2,02,908

Retained earnings

This comprises company's undistributed profit/(loss) after taxes

Note 9 :Current financial liabilities -Trade payables

	31st.March,2019	31st.March,2018
Dues to micro, small and medium enterprises # Payables Other than MSME	23,600	23,600
Total current financial liabilities -Trade payables	23,600	23,600

Disclosures as per Micro,Small and Medium Enterprises Development Act,2006 (MSMED)

Particulars	31st.March,2019	31st.March,2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 10: Other financial liabilities

Particulars	31st.March,2019	31st.March,2018
Other liabilities	14,000	-
Total other financial liabilities	14,000	-



Isgec Engineering and projects Limited
Notes to the financial statements for the year ended 31st.March,2019

Note 11: Other income

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Interest on Fixed Deposit with Banks	3,35,567	3,46,653
Rent Received	8,64,000	8,64,000
Total Other income	11,99,567	12,10,653

Note 12: Employee Benefits Expense

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Salary	1,68,000	-
Total Employee Benefit expense	1,68,000	-

Note 13: Other expenses

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Professional Expenses	26,660	2,094
Auditors Remuneration *	23,600	23,600
Filing Fee	1,800	2,400
Rates & Taxes	4,32,302	-
Bank Charges	767	1,180
Total Other expenses	4,85,129	29,274
* Include GST	3,600	3,600

Note 14: Income tax expense

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
(a) Income tax expense		
(a) Current tax	53,820	2,16,800
Tax relating to earlier year (net)	1,710	1,139
Total Current tax	55,530	2,17,939
(b) Deferred Tax		
Decrease / (Increase) in deferred tax asset	20,862	20,661
Total deferred tax expense / (benefit)	20,862	20,661
Total Income tax expense	76,392	2,38,600

Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Profit/ (Loss) before income tax expense	(41,996)	5,62,822
Tax at Indian tax rate of 26 % (2017-18-25.75%)	(10,919)	1,44,927
Tax effects of amounts which are not deductible in calculating taxable income	1,52,993	1,59,278
Tax on standard deduction allowed under income from house property	(67,392)	(66,744)
Tax relating to earlier year (net)	1,710	1,139
Income tax expense	76,392	2,38,600



Isgec Engineering and projects Limited
Notes to financial statements for the year ended 31st.March.2019

Note 15 : Earnings per share (EPS)

Particulars	(IN INR)	
	31st.March,2019	31st.March,2018
Profit /(loss) attributable to equity shareholders	(118388)	324222
Weighted average number of equity shares	4,000,000	4,000,000
Nominal value of equity shares	10	10
Basic and Diluted earnings per share	(0.030)	(0.081)

Note 16: Related party disclosures

a) Enterprises exercising control	
i) Holding company	Isgec Heavy Engineering Limited
b) Enterprises where control of (a) (i) exists	
i) Subsidiaries	Saraswati Sugar Mills Limited (100%) Freelook Softwares Private Limited (100%) Isgec covema Limited (100%) Isgec Exports Limited (100%) Eagle Press and Equipment Co. Limited(Canada) (100 %)
(Extent of holding)	
ii) Joint ventures	Isgec Hitachi Zosen Limited (51 % control) Isgec Foster Wheeler Boilers Private Limited (51% control) Isgec Titan Metal Fabricators Private Limited (51% control) Isgec Redicam Enviro Solutions Private Limited (51% control)
c) Key Management Personnel	
i) Non-executive directors	Mr Ranjit Puri Mr Aditya Puri Mr S.K.Khorana Mr Praveen Soneja Mr Vinod Kumar Luthra

Note 16.1: Disclosure of transactions between the Related parties and the status of outstanding balances as at 31st.March,2019

Particulars		31st.March,2019	31st.March,2018
i)Holding company viz.Isgec Heavy Engineering Limited	Rent received	864,000	864,000
ii)Subsidiaries/Joint ventures		--	--
iii) Key Management Personnel		--	--

Note 17 : Fair value measurements

Financial instruments by category	Note No.	Carrying Value		Fair value	
		31st.March,2019	31st.March,2018	31st.March,2019	31st.March,2018
Financial assets at amortised cost					
Cash and cash equivalents	5	5,989,076	5,573,671	5,989,076	5,573,671
Other financial assets	6	231,680	225,703	231,680	225,703
Total financial assets		6,220,756	5,799,374	6,220,756	5,799,374
Financial liabilities at amortised cost					
Trade payables	9	23,600	23,600	23,600	23,600
Other liabilities	10	14,000	14,000	-	-
Total financial liabilities		37,600	37,600	23,600	23,600

The carrying amounts of trade payables ,cash and cash equivalents and other financial assets are considered to be the same as their fair values,due to their short term nature

Note 18 : Segment Information

The company business activity falls within a single primary business segment viz.property comprising of building on rent identified in accordance with principles enunciated in Indian Accounting Standards As-108. Segment Reporting..Hence,business segment is not applicable.
The Board of Directors of the company has been identified as the Chief Decision Maker (CODM) .The company has not started its commercial activities and hence,there are no additional disclosures to be provided other than those already provided in the financial statements



Note 19 : Financial risk management

The company's financial liabilities comprise only trade payable for services. The main purpose of these financial liabilities is to manage finances for the company's operations and financial assets include cash and cash equivalents and other financial assets measured at amortised cost. The company is exposed to Market risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and derivative financial instruments.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet the obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed from its financing activities including deposits with banks and other financial instruments. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks. Investments primarily include certificates of deposits which are funds deposited at a bank for a specified time period.

The board of directors reviews and agrees policies for managing each of these risks. The limits are set to minimise the concentration of risks, and therefore mitigate loss through counterparty's potential failure to make payments.

(b) Liquidity risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and its liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's liquidity position through rolling, forecast on the basis of expected cash flows.

Maturities of financial liabilities

The following table summarises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(IN INR)

Contractual maturities of financial liabilities	less than three months
As at 31st March, 2019	
Trade payables	23,600
Other Liabilities	14,000
Total	37,600
As at 31st March, 2018	
Trade payables	23,600
Other Liabilities	-
Total	23,600

Note 20: The company is not having any contingent liabilities, commitments and litigations as on 31st.March,2019 (31st.March,2018 Nil)

Note 21 Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report of even date

For K.C.Malhotra & Co.

Chartered Accountants
(Firm Regn.No. 000057N)

For and on behalf of the Board of directors

(Ramesh malhotra)
Partner
Membership No. 013624
Place: New Delhi
Date: 16/05/2019



(Signature)
(S.K.Khorana)
Director
DIN:00085300

(Signature)
(Aditya Puri)
Director
DIN:0052534